

Company Registration No. 06975522 (England and Wales)

SYMEC TECHNOLOGIES LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 JULY 2021



SYMEC TECHNOLOGIES LIMITED

COMPANY INFORMATION

Directors	Mr P Bruce Mr P Golden
Company number	06975522
Registered office	10 Brook Office Park Emersons Green Bristol BS16 7FL
Auditor	RSM UK Audit LLP Chartered Accountants Hartwell House 55-61 Victoria Street Bristol BS1 6AD

SYMEC TECHNOLOGIES LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 JULY 2021

The directors present the strategic report for the year ended 31 July 2021.

Review of the business and key performance indicators

The financial result for the year ended 31st July 2021 shows revenues of £17.5m. This is an increase of 41% from the £12.5m in the prior year. Product sales are up to £11.2m from £7.4m in the prior year, the growth of 51% is the major contributor of the increase in revenue. Gross margin percentage has reduced to 22% from 32% in the prior year. This is caused by a change in the revenue mix with a proportional increase in product sales, which are generally at a lower margin. The company delivered a profit for the financial period of £402,507 (2020: £142,566).

This shows a positive turnaround despite the uncertainties caused by the pandemic and BREXIT simultaneously affecting the financial year.

Key performance indicators

The principle indicator used to measure the performance of the company in the period is gross profit.

	Year ended 31 July 2021	Year ended 31 July 2020
	£	£
Gross profit	3,832,788	4,004,017

There are also detailed KPI's at an operating level which are monitored accordingly on a regular basis.

Strategic focus

The company's focus is on becoming a Dynamic Systems Integrator for mobile technology with our customers and this vision extends to becoming our customers Mobile Technology Partner of choice, differentiated by our solutions, capabilities and attitude. Despite the general economic uncertainty, enterprise mobility continues to be a growing sector with more companies looking to improve efficiencies and increase productivity using more innovative technology.

Information and analysis for larger customers, who have thousands of handheld devices – either rugged, smartphone or a mix, becomes critical. This data is interpreted through a suite of in-house software utilities that help our customers make better decisions on mobile technology adoption, security and overall utilisation.

The company's strong relationships with the industry's key manufacturers and software partners remains a key part of the strategy to provide industry leading solutions and recommendations to our customers.

Finally, continued investments were made in strengthening our Service, Marketing, Software and Finance functions with the goal of supporting long-term, sustainable growth.

SYMEC TECHNOLOGIES LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2021

Principal risks and uncertainties and financial risk management

Liquidity risk is a principal risk to the company. It is carefully managed to ensure that short term fluctuations in cash flow, due to the nature of sales made, can be navigated. To mitigate the risk, actions taken include, but are not limited to;

- maintaining short- and long-term cash forecasts which are regularly completed and reviewed by senior management
- ensuring contractual terms on larger deals are structured to enable cash revenues to be received prior to the associated payment of cost of sales
- where appropriate, various funding lines such as working capital overdraft facility and short-term asset backed loans from hardware suppliers are available
- use of the Government Coronavirus initiatives. The company has taken advantage of the VAT payment deferral offered between 20 March and 30 June 2020, the Government furlough scheme and has secured a Coronavirus Business Interruption loan that has been interest free for 12 months

In the macro-economic environment, there is uncertainty created by many factors including the long-term impacts of Brexit and more recently the Covid-19 virus outbreak. The company's customers will be impacted by these influences to different extents and notably, some will be impacted positively, for example due to increased demand for online shopping. The company has good coverage of revenue from many business sectors and geographic locations and management consider that the company is well paced to be able to manage these uncertainties in the future.

Future developments

The company will continue to focus on becoming a Dynamic Systems Integrator for mobile technology with our customers.

The company will be launching and rolling out new software applications to better suit customers' needs.

There will be continued support and development of our people and our capabilities to accelerate sustainable long-term growth.

Going concern assessment

Management have completed detailed forecasts for the coming year. The base case scenario assumes overall revenue growth in 2022 generated from existing and new customers, of which a proportion relates to identified opportunities currently being explored with customers.

Cash position at year end is over £2.6m and has further strengthened since the close of the financial period. The company is forecast to grow and be cash positive in the current year. There is notable headroom on the forecasted cashflows of the company over the coming twelve months allowing the company to retain a positive cash position. Therefore, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

Should there be an unexpected downward deviation from forecasts then mitigating actions could be taken to reduce the overhead cost base, which have not been factored into the base forecast.

SYMEC TECHNOLOGIES LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2021

Going concern assessment (continued)

Alongside the current strong positive cash position, the company has favourable credit terms with its major suppliers and secured cheap long-term debt in the form of the government backed Coronavirus business interruption loan, with an extended 12-month interest and repayment free holiday.

Whilst being cognisant of the challenges that the macro-economic environment poses to all businesses at the current time, management remains very confident that the company has enough financial and operational resources to grow profitably and achieve its objectives.

On behalf of the board



.....
Mr P Bruce
Director

Date: 11-02-2021

SYMEC TECHNOLOGIES LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 JULY 2021

The directors present their annual report and financial statements for the year ended 31 July 2021.

Principal activities

The principal activity of the company continued to be that the buying and selling of hand held technology.

Results and dividends

The results for the year are set out on page 9. Upstream Dividends were paid to the Parent company amounting to £467,937 (2020: £367,736).

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr P Bruce

Mr P Golden

Qualifying third party indemnity provisions

The company has made qualifying third party indemnity provisions for the benefit of its directors during the year. These provisions remain in force at the reporting date.

Auditor

RSM UK Audit LLP was appointed as auditor to the company during the year, and in accordance with section 485 of the Companies Act 2006 a resolution proposing that it be re-appointed will be put at a General Meeting.

Matters included in the strategic report

As permitted by Companies Act 2006 s. 414C(11), the company has chosen to set out in the strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of future developments.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, each director has taken all the necessary steps that they ought to have taken as a director in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board



.....
Mr P Bruce

Director

Date: 11-02-2021

SYMEC TECHNOLOGIES LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 JULY 2021

The directors are responsible for preparing the Strategic Report and the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SYMEC TECHNOLOGIES LIMITED

Opinion

We have audited the financial statements of Symec Technologies Limited (the 'company') for the year ended 31 July 2021 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SYMEC TECHNOLOGIES LIMITED (CONTINUED)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the company operates in and how the company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SYMEC TECHNOLOGIES LIMITED (CONTINUED)

As a result of these procedures, we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS102, the Companies Act 2006 and tax compliance regulations. We have performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures, inspecting correspondence with local tax authorities and evaluating advice received from external tax advisors.

The company audit engagement team identified the risk of management override of controls and revenue recognition as the areas where the financial statements were most susceptible to material misstatement due to fraud.

- Management override of controls - Audit procedures performed included, but were not limited to, testing the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements, reviewing accounting estimates for biases and evaluating whether the circumstances producing the bias, if any, represent a risk of material misstatement. We also evaluated whether the business rationale (or the lack thereof) of the transactions outside the normal course of business suggest that they may have been entered into in order to engage in fraudulent financial reporting or to conceal misappropriation of assets.
- Revenue recognition - Audit procedures in relation to the risk of fraud in revenue recognition, included but were not limited to, assessing financial reporting requirements for sample of key customer's bundled contracts and whether each of the bundled element's performance obligations have been achieved prior to the year end, testing a sample of sales to ensure revenue recognition has been correctly recorded and testing a sample of deferred revenue balances to ensure the deferred balance is in line with the revenue recognition model, and the terms of the individual contract.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities> This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

TR Morgan

Thomas Morgan (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
Hartwell House
55-61 Victoria Street
Bristol
BS1 6AD
11 February 2022

SYMEC TECHNOLOGIES LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 JULY 2021

	Notes	2021 £	2020 £
Turnover	3	17,539,855	12,545,599
Cost of sales		(13,707,067)	(8,541,582)
Gross profit		3,832,788	4,004,017
Administrative expenses		(3,553,566)	(4,438,880)
Other operating income		164,459	82,775
Profit on sale of fixed assets		-	393,730
Operating profit	6	443,681	41,642
Interest payable and similar expenses	7	(2,736)	(13,556)
Profit before taxation		440,945	28,086
Tax on profit	8	(38,438)	114,480
Profit for the financial year		402,507	142,566

SYMEC TECHNOLOGIES LIMITED**STATEMENT OF FINANCIAL POSITION****AS AT 31 JULY 2021**

	Notes	2021 £	£	2020 £	£
Fixed assets					
Intangible assets	10		530,816		565,335
Tangible assets	11		197,758		274,912
Investments	12		898		898
			<u>729,472</u>		<u>841,145</u>
Current assets					
Stocks	14	107,928		404,557	
Debtors	15	6,984,279		3,636,556	
Cash at bank and in hand		2,621,292		4,364,733	
			<u>9,713,499</u>		<u>8,405,846</u>
Creditors: amounts falling due within one year	16	<u>(8,420,550)</u>		<u>(8,197,399)</u>	
Net current assets			<u>1,292,949</u>		<u>208,447</u>
Total assets less current liabilities			<u>2,022,421</u>		<u>1,049,592</u>
Creditors: amounts falling due after more than one year	17		(918,302)		-
Provisions for liabilities	19		(119,957)		-
Net assets			<u>984,162</u>		<u>1,049,592</u>
Capital and reserves					
Called up share capital	22		76		76
Profit and loss reserves	23		984,086		1,049,516
Total equity			<u>984,162</u>		<u>1,049,592</u>

The financial statements were approved by the board of directors and authorised for issue on 11-02-2021 and are signed on its behalf by:



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Mr P Bruce
Director

SYMEC TECHNOLOGIES LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 JULY 2021

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 August 2019		76	1,274,686	1,274,762
Year ended 31 July 2020:				
Profit and total comprehensive income for the year		-	142,566	142,566
Dividends	9	-	(367,736)	(367,736)
Balance at 31 July 2020		76	1,049,516	1,049,592
Year ended 31 July 2021:				
Profit and total comprehensive income for the year		-	402,507	402,507
Dividends	9	-	(467,937)	(467,937)
Balance at 31 July 2021		76	984,086	984,162

SYMEC TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021

1 Accounting policies

Company information

Symec Technologies Limited is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is 10 Brook Office Park, Emersons Green, Bristol, BS16 7FL.

The company's principal activities and nature of its operations are disclosed in the Directors' Report.

Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

Reduced disclosure framework

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position': Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Symec Group Limited. These consolidated financial statements are available from its registered office, 10 Brook Office Park, Emersons Green, Bristol, BS16 7FL, United Kingdom..

Consolidation

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

SYMEC TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2021

1 Accounting policies (Continued)

Going concern

Management have completed detailed forecasts for the coming year. The base case scenario assumes overall revenue growth in the next 12 months generated from existing and new customers, of which a proportion relates to identified opportunities currently being explored with customers.

Cash position at year end is £2.6m. The company is forecast to grow and be cash positive in the current year. There is notable headroom on the forecasted cashflows of the company over the coming twelve months allowing the company to retain a positive cash position. Therefore, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its consolidated financial statements.

Should there be an unexpected downward deviation from forecasts then mitigating actions could be taken to reduce the overhead cost base, which have not been factored into the base forecast.

Alongside the current strong positive cash position, the company has favourable credit terms with its major suppliers and secured cheap long-term debt in the form of the government backed Coronavirus business interruption loan, with an extended 12-month interest and repayment free holiday.

Whilst being cognisant of the challenges that the macro-economic environment poses to all businesses at the current time, management remains very confident that the company has enough financial and operational resources to grow profitably and achieve its objectives.

Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

The company provides bundled contracts, with several distinct performance obligations to its customers. The individual performance obligations are separately identified and treated.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods to an agreed location), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from contracts for the provision of services is recognised on a straight-line base over time from the date the services are capable of being consumed by the customer.

Revenue the provision of resold services is recognised at a point in time, when the costs can be reliably measured.

Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Software	20-33% straight line
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SYMEC TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2021

1 Accounting policies (Continued)

Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	4% straight line
Leasehold improvements	33% straight line
Computers	20-33% straight line
Motor vehicles	25% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

Fixed asset investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

Cash and cash equivalents

Cash and cash equivalents are basic financial instruments and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

SYMEC TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2021

1 Accounting policies (Continued)

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments. Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Basic financial liabilities

Basic financial liabilities, including trade and other creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method. Financial liabilities are derecognised when, and only when, the group's contractual obligations are discharged, cancelled, or they expire.

Other financial liabilities

Derivatives, including forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments where the contractual returns, repayment of the principal, or other terms (such as prepayment provisions or term extensions) do not meet the conditions to be measured at amortised cost, are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Equity instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Equity instruments issued by the company are recorded at the fair value of proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax is based on taxable profit for the year. Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

SYMEC TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2021

1 Accounting policies (Continued)

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets are recognised when tax paid exceeds the tax payable. Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets. The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received. Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Retirement benefits

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

SYMEC TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2021

1 Accounting policies (Continued)

Foreign exchange

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Revenue recognition

Revenue recognition is subject to the directors' reviews and estimation processes described under the turnover accounting policy set out in note 1.

Estimation of useful lives of assets

The company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down

3 Turnover and other revenue

	2021	2020
	£	£
Turnover analysed by class of business		
Product sales	11,247,287	7,312,362
Repairs	1,887,664	2,023,025
Connectivity	1,183,547	688,354
Software	1,695,538	702,656
Other services	1,525,819	1,819,202
	<u>17,539,855</u>	<u>12,545,599</u>

SYMEC TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2021

3 Turnover and other revenue (Continued)

	2021	2020
	£	£
Other revenue		
Grants received	30,217	-
	<u>30,217</u>	<u>-</u>
	2021	2020
	£	£
Turnover analysed by geographical market		
United Kingdom	16,734,595	10,710,937
Europe	710,120	958,466
Rest of the world	95,140	876,196
	<u>17,539,855</u>	<u>12,545,599</u>

Grants received comprises £29,082 (2020 - £64,290) in respect of the Coronavirus Job Retention Scheme (CJRS) (prior year recognised in other services in turnover) and £9,000 (2020 - £nil) relating to a Business Interruption Payment Scheme.

4 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2021	2020
	Number	Number
Operations	19	21
Sales	13	17
Adminstrative	11	12
	<u>43</u>	<u>50</u>

Their aggregate remuneration comprised:

	2021	2020
	£	£
Wages and salaries	1,955,549	2,172,508
Social security costs	213,098	244,784
Pension costs	102,731	154,884
	<u>2,271,378</u>	<u>2,572,176</u>

SYMEC TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2021

5 Directors' remuneration

	2021 £	2020 £
Remuneration for qualifying services	15,782	235,513
Company pension contributions to defined contribution schemes	-	13,911
Compensation for loss of office	-	32,159
	<u>15,782</u>	<u>281,583</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 0 (2020 - 2).

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2021 £	2020 £
Remuneration for qualifying services	n/a	128,195
Company pension contributions to defined contribution schemes	n/a	7,361
	<u>n/a</u>	<u>135,556</u>

As total directors' remuneration was less than £200,000 in the current year, no disclosures relating to the highest paid director are provided for this year.

6 Operating profit

	2021 £	2020 £
Operating profit for the year is stated after charging/(crediting):	£	£
Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	10,098	(83,222)
Government grants	(30,217)	-
Fees payable to the company's auditor for the audit of the company's financial statements	28,000	37,600
Depreciation of owned tangible fixed assets	146,821	206,135
Loss on disposal of tangible fixed assets	56,083	-
Amortisation of intangible assets	161,139	125,842
Impairment of stocks recognised or reversed	-	17,381
Operating lease charges	122,987	97,318
	<u>122,987</u>	<u>97,318</u>

7 Interest payable and similar expenses

	2021 £	2020 £
Interest on bank overdrafts and loans	1,255	212
Other interest on financial liabilities	1,481	13,344
	<u>2,736</u>	<u>13,556</u>

SYMEC TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2021

8 Taxation	2021	2020
	£	£
Current tax		
UK corporation tax on profits for the current period	-	(30,000)
Adjustments in respect of prior periods	(90,652)	(64,138)
Total current tax	<u>(90,652)</u>	<u>(94,138)</u>
Deferred tax		
Origination and reversal of timing differences	19,423	(19,342)
Changes in tax rates	(2,885)	-
Adjustment in respect of prior periods	112,552	(1,000)
Total deferred tax	<u>129,090</u>	<u>(20,342)</u>
Total tax charge/(credit)	<u>38,438</u>	<u>(114,480)</u>

The total tax charge/(credit) for the year included in the income statement can be reconciled to the profit before tax multiplied by the standard rate of tax as follows:

	2021	2020
	£	£
Profit before taxation	<u>440,945</u>	<u>28,086</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	83,780	5,336
Tax effect of expenses that are not deductible in determining taxable profit	1,086	(24,679)
Adjustments in respect of prior years	21,900	(65,137)
Group relief	(43,202)	-
Research and development tax credit	(75,215)	(30,000)
Change in tax rates	28,790	-
Permanent fixed asset differences	21,299	-
Taxation charge/(credit) for the year	<u>38,438</u>	<u>(114,480)</u>

In the budget on 3 March 2021, the UK Government announced an increase in the main rate of UK corporation tax from 19% to 25% with effect from 1 April 2023. The change in rate was substantively enacted on 24 May 2021. Deferred tax has been calculated at 25% which was the tax rate substantively enacted at 31 July 2021.

SYMEC TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2021

9 Dividends

	2021 £	2020 £
Interim paid	467,937	367,736

10 Intangible fixed assets

	Software £
Cost	
At 1 August 2020	756,274
Additions - internally developed	126,620
At 31 July 2021	882,894
Amortisation and impairment	
At 1 August 2020	190,939
Amortisation charged for the year	161,139
At 31 July 2021	352,078
Carrying amount	
At 31 July 2021	530,816
At 31 July 2020	565,335

11 Tangible fixed assets

	Freehold land and buildings improvements £	Leasehold improvements £	Computers £	Motor vehicles £	Total £
Cost					
At 1 August 2020	73,168	240,596	582,114	56,396	952,274
Additions	-	3,212	6,258	116,680	126,150
Disposals	(73,168)	-	-	(56,396)	(129,564)
At 31 July 2021	-	243,808	588,372	116,680	948,860
Depreciation and impairment					
At 1 August 2020	13,404	188,303	419,259	56,396	677,362
Depreciation charged in the year	3,281	53,187	75,852	14,501	146,821
Eliminated in respect of disposals	(16,685)	-	-	(56,396)	(73,081)
At 31 July 2021	-	241,490	495,111	14,501	751,102
Carrying amount					
At 31 July 2021	-	2,318	93,261	102,179	197,758
At 31 July 2020	59,764	52,293	162,855	-	274,912

SYMEC TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2021

12 Fixed asset investments

	Notes	2021 £	2020 £
Investments in subsidiaries	13	898	898

Movements in fixed asset investments

	Shares in group undertakings £
Cost or valuation	
At 1 August 2020 & 31 July 2021	898
Carrying amount	
At 31 July 2021	898
At 31 July 2020	898

13 Subsidiaries

Details of the company's subsidiaries at 31 July 2021 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct
Symec Technolgoies Sp.z.o.o.	Kasztanowa 2A, 64-320 Niepruszewo/k. Poznan, Polska	Repair and restoration of handheld technology	Ordinary shares	100.00

14 Stocks

	2021 £	2020 £
Finished goods and goods for resale	107,928	404,557

SYMEC TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2021

15 Debtors		2021	2020
Amounts falling due within one year:		£	£
Trade debtors		4,889,178	1,560,312
Corporation tax recoverable		120,652	30,000
Amounts owed by group undertakings		906,053	1,113,488
Other debtors		511,695	288,616
Prepayments and accrued income		556,701	635,007
		<u>6,984,279</u>	<u>3,627,423</u>
Deferred tax asset (note 20)		-	9,133
		<u>6,984,279</u>	<u>3,636,556</u>
		<u><u>6,984,279</u></u>	<u><u>3,636,556</u></u>
16 Creditors: amounts falling due within one year		2021	2020
	Notes	£	£
Bank loans	18	7,789	-
Other borrowings	18	-	253,500
Trade creditors		1,345,080	2,129,578
Taxation and social security		2,253,749	2,232,326
Other creditors		9,080	8,781
Accruals and deferred income		4,804,852	3,573,214
		<u>8,420,550</u>	<u>8,197,399</u>
		<u><u>8,420,550</u></u>	<u><u>8,197,399</u></u>
17 Creditors: amounts falling due after more than one year		2021	2020
	Notes	£	£
Bank loans and overdrafts	18	492,211	-
Taxation and social security		426,091	-
		<u>918,302</u>	<u>-</u>
		<u><u>918,302</u></u>	<u><u>-</u></u>
Amounts included above which fall due after five years are as follows:			
Payable by instalments		96,768	-
		<u>96,768</u>	<u>-</u>
		<u><u>96,768</u></u>	<u><u>-</u></u>

SYMEC TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2021

18 Borrowings

	2021 £	2020 £
Bank loans	500,000	-
Other loans	-	253,500
	<u>500,000</u>	<u>253,500</u>
Payable within one year	7,789	253,500
Payable after one year	<u>492,211</u>	<u>-</u>

Bank loans comprise £500,000 received from the Coronavirus Business Interruption Loan Scheme in September 2020. These loans were introduced by the UK Government with the aim of continued provision of finance to UK SMEs during the Coronavirus outbreak and provide lenders with a government-backed guarantee.

The term of this loan was 72 months, comprising an initial 12 month capital and interest holiday, followed by 60 months capital and interest payments of £8,925 per month. During the 12 month capital and interest holiday, interest at a rate of 2.725% is accrued and offset against government grant income recognised at the same amount.

In June 2021, the loan was transferred to another lender and the company was granted a further 12 month capital repayment holiday during which (starting in July 2021) only interest payments of £1,135 per month are payable. Thereafter, capital and interest payments of £8,925 are payable monthly for 60 months. £7,789 is repayable within one year and £492,211 is repayable over one year.

Other loans of £253,500 relate to a loan totalling £760,500 taken out in the prior year. The loan was repayable in 6 monthly instalments of £127,490. Amounts totalling £254,980 was paid in the year and interest totalling £1,480 charged in the year. The loan was fully repaid in September 2020.

19 Provisions for liabilities

	Notes	2021 £	2020 £
Deferred tax liabilities	20	119,957	-
		<u>119,957</u>	<u>-</u>

20 Deferred taxation

The major deferred tax liabilities and assets recognised by the company are:

	Liabilities 2021 £	Liabilities 2020 £	Assets 2021 £	Assets 2020 £
Balances:				
Fixed asset timing differences	<u>119,957</u>	<u>-</u>	<u>-</u>	<u>9,133</u>

SYMEC TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2021

20 Deferred taxation (Continued)

	2021
Movements in the year:	£
Asset at 1 August 2020	(9,133)
Charge to profit or loss	129,090
Liability at 31 July 2021	<u>119,957</u>

The deferred tax liability set out above is expected to reverse within 3 to 5 years and relates to accelerated capital allowances that are expected to mature within the same period.

21 Retirement benefit schemes

	2021	2020
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	102,731	154,884

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the company in independently administered funds. Contributions totalling £9,431 (2020 - £11,231) were payable to the funds at the year end and are included in other creditors.

22 Share capital

	2021	2020	2021	2020
Ordinary share capital	Number	Number	£	£
Issued and fully paid				
Ordinary shares of £1 each	76	76	76	76

The company's ordinary shares carry the right to receive dividends, participate in any capital distribution on winding up and carrying voting rights at general meetings of the company.

23 Profit and loss reserves

Profit and loss account

The profit and loss account represents the accumulated profits, losses and distributions of the company.

24 Financial commitments, guarantees and contingent liabilities

The Coronavirus Business Interruption Loan in note 18 is secured under a fixed and floating charge.

A cross-guarantee is in place between the Company and the wider Symec Group in respect of the CBILs Loan.

Also in respect of the CBILs loan, two directors have placed personal security of £100,000 each on the borrowings of the company.

SYMEC TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2021

25 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2021 £	2020 £
Within one year	102,094	116,047
Between one and five years	72,374	182,204
	<u>174,468</u>	<u>298,251</u>

26 Related party transactions

The company has taken advantage of the exemption available under Section 33 of FRS 102 and have not disclosed details of transactions or balances with wholly-owned group companies.

27 Directors' transactions

Description	% Rate	Opening balance £	Amounts advanced £	Amounts repaid £	Closing balance £
Director loan	-	3,891	2,226	(3,891)	2,226
Director loan	-	24,990	46,667	(64,473)	7,184
		<u>28,881</u>	<u>48,893</u>	<u>(68,364)</u>	<u>9,410</u>

28 Ultimate controlling party

The ultimate parent undertaking of the company is Symec Group Limited, a company incorporated in the United Kingdom and registered in England and Wales. In the opinion of the directors there is no overall controlling party.

Symec Group Limited heads the largest and smallest group in which the results and financial position of the company are consolidated. Copies of the group financial statements can be obtained from its registered office, 10 Brook Office Park, Emersons Green, Bristol, BS16 7FL.